

Public Higher Education's Commitment to Achieving the Objectives of the Higher Education Opportunity Act of 2011

Governor McDonnell recognizes the importance of higher education to the economic vitality of the Commonwealth and has placed a high priority on investment in public and private non-profit institutions of higher learning to help him deliver on the objectives outlined in the Higher Education Opportunity Act of 2011 (HEOA). While the Commonwealth has experienced positive revenue growth in recent months there are still many uncertainties surrounding the sustainability of that growth and we know that there are many demands from all sectors of state government for additional resources.

Institutional Commitment

In order to leverage new state investment in higher education each public institution will commit to reallocate the equivalent of 2 percent of its fiscal 2011-12 base general fund, educational and general (E&G) appropriation and redirect those resources toward fulfillment of the objectives of the HEOA outlined in its six-year plan as amended. In addition, each institution is prepared to match any institution specific initiative funding provided by the Governor in his budget on the following basis; 50 percent in fiscal year 2012-13 and 100 percent in fiscal year 2013-14 up to a maximum of 1 percent of its fiscal year 2011-12 general fund E&G appropriation.

To the extent an institution receives new state support for research in 2012-14; the institution commits to generate at least two times the value of the general fund appropriation in new externally funded research within a three year period.

Statement of Principles

- Dollars must be reallocated from within an institution's current base budget and cannot come from incremental tuition revenue resulting from a tuition increase; although this shall not prohibit an institution's Board of Visitors from approving a tuition increase for other purposes. The amount required to be reallocated may come from any other revenue source.
- The amount identified for each institution must remain with the institution and will not be reverted to a central pool for redistribution.

- The commitment includes, and is not in addition to, the reallocations identified in the institution's six-year plan as revised on October 1, 2011.
- Each institution will identify in its six-year plan update the program or expenditure to which the reallocated dollars will be directed and tie the program or expenditure to a specific objective(s) of the HEOA.
- While time was short to collaborate on broad measures institutions will continue to explore opportunities that have the potential to produce cost savings, or at a minimum cost avoidance, across multiple institutions. Several promising possibilities include:
 - Through the Virtual Library of Virginia, implement a major new academic e-books initiative to acquire electronic books in key STEM and other research areas.
 - Establish partnerships between institutions to share faculty and laboratory facilities and provide course credits, internships, and research opportunities for both undergraduate and graduate students.
 - Develop an expanded model whereby institutions provide disaster recovery services for each other.
 - Coordinate and develop shared cyber security review services (i.e., pro-active security reviews of advanced network/compute/storage infrastructure, operations, and policies) and network penetration tests and analysis capabilities.
 - Aggregate access to national research networks, like NLR and Internet2 for the benefit of multiple institutions.

Method of Accountability

- In the required revision to the six-year plan due on July 1, 2012, the institution will identify strategies together with the amount of reallocated dollars referencing one or more of the objectives contained in the HEOA. In subsequent years, the institution will report its progress in achieving the objectives.
- We suggest that language be set out in each institution's appropriation in the Budget Bill along the following lines:
 - An amount equal to 2% of the base general fund appropriation or \$X,XXX,XXX will be reallocated by the institution to programs and

strategies that serve to advance the objectives of the Higher Education Opportunity Act of 2011. Specific programs and strategies will be identified in the institution's six year plan and progress toward achievement of the objective(s) will be reported on an agreed schedule.

- If an initiative receives new state funds, the institution receiving the funds will provide a total budget for the program, including the amount of match funds reallocated (50 percent in the first year with a maximum of 0.50% of the 2011-12 general fund appropriation and 100 percent in the second year up to a maximum amount of 1 percent of the 2011-12 general fund E&G appropriation) in each revision to its six year plan. The institution will report on the progress of each initiative in subsequent six year plan submissions.
- The six year plan will be used as the vehicle to report return on investment of any general fund support received for research.